

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF AGUA SUCIA, LLC Case No. 14411
TO REINSTATE DIVISION ADMINISTRATIVE ORDER
SWD-559 FOR A SALT WATER DISPOSAL WELL,
LEA COUNTY, NEW MEXICO

APPLICATION OF BURLINGTON RESOURCES Case No. 12276
OIL & GAS COMPANY FOR COMPULSORY POOLING,
SECTION 36, TOWNSHIP 27 NORTH, RANGE 8 WEST,
SAN JUAN COUNTY, NEW MEXICO

APPLICATION OF BURLINGTON RESOURCES Case No. 12277
OIL & GAS COMPANY FOR COMPULSORY POOLING,
SECTION 16, TOWNSHIP 31 NORTH, RANGE 11 WEST,
SAN JUAN COUNTY, NEW MEXICO

APPLICATION OF COG OPERATING, LLC Case No. ~~14472~~
FOR CANCELLATION OF OPERATOR'S AUTHORITY
AND TERMINATION OF SPACING UNITS, YESO
ENERGY, INC. DOW "B" FEDERAL WELL NO. 1,
EDDY COUNTY, NEW MEXICO

APPLICATION OF NEW MEXICO OIL Case No. 14547
CONSERVATION DIVISION. THE APPLICANT
SEEKS AN ORDER AUTHORIZING THE OIL
CONSERVATION DIVISION TO RECOGNIZE AN OPERATOR
OF RECORD FOR WELLS CURRENTLY OPERATED
BY YESO ENERGY, INC., OGRID 221710

APPLICATION OF TARGA MIDSTREAM Case No. 14575
SERVICES LIMITED PARTNERSHIP AS OPERATOR
FOR VERSADO GAS PROCESSORS, LLC FOR
APPROVAL TO INJECT ACID GAS INTO TARGA'S
EXISTING EUNICE GAS PLANT SALT WATER
DISPOSAL (SWD) WELLS NO. 1, (API No. 30-025-21497),
LEA COUNTY, NEW MEXICO

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REPORTER'S TRANSCRIPT OF PROCEEDINGS
COMMISSIONER HEARING

BEFORE: MARK E. FESMIRE, Chairman
JAMI BAILEY, Commissioner
WILLIAM C. OLSON, Commissioner

December 9, 2010
Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Commission, MARK E. FESMIRE, Chairman, on Thursday, December 9, 2010, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South St. Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Jeannine K. Sims, RPR, NM CCR #12
Paul Baca Court Reporters
500 Fourth Street, NW, Suite 105
Albuquerque, New Mexico 87102

A P P E A R A N C E S

FOR THE OIL CONSERVATION COMMISSION:

Ms. Gail MacQuesten
ASSISTANT GENERAL COUNSEL
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

FOR THE APPLICANT, AGUA SUCIA:

Mr. James Bruce
ATTORNEY AT LAW
P.O. Box 1056
Santa Fe, New Mexico 87504

FOR ARMSTRONG ENERGY CORPORATION:

Mr. William F. Carr
HOLLAND & HART, LLP
P.O. Box 2208
Santa Fe, New Mexico 87504

1 FOR THE APPLICANT, TARGA MIDSTREAM SERVICES:

2 Mr. William Scott
MODRALL, ROEHL, HARRIS & SISK
3 500 Fourth St. NW, Suite 1000
Albuquerque, New Mexico 87102

4 ALSO PRESENT:

5 Ms. Florene Davidson
6 Ms. Cheryl Bada

7 TARGA WITNESSES: CASE 14575 PAGE

8 Clark White:

9 Direct Examination by Mr. Scott 14
10 Cross-examination by Ms. MacQuesten 23

11 Alberto Gutierrez:

12 Direct Examination by Mr. Scott 33
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13 Re-Direct Examination by Mr. Scott 136
Recross-examination by Ms. MacQuesten 141

14 William Jones:

15 Direct Examination by Ms. MacQuesten 166
16 Cross-examination by Mr. Scott 185
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17 Recross-examination by Mr. Scott 215

18 EXHIBITS ADMITTED PAGE

19 Targa Exhibits 1 through 2 38
Targa Exhibit 3 88
20 Targa Exhibit 4 89

21 Oil Conservation Division Exhibits A-L 218

22 REPORTER'S CERTIFICATE 228

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1 these cases has requested that they be continued to the
2 next regularly scheduled commission meeting; is that
3 correct?

4 MS. DAVIDSON: That is correct.

5 CHAIRMAN FESMIRE: Okay. We will at this
6 time continue both No. 12276 and 12277 to the next
7 regularly scheduled commission meeting. Which is --

8 MS. DAVIDSON: January 13.

9 CHAIRMAN FESMIRE: January 13th of 2011.
10 The next item before the Commission is the application of
11 COG Operating, LLC for cancellation of an order -- of an
12 operator's authority and termination of spacing units it
13 Yeso Energy Dow "B" 28 Federal No. 1, Eddy County, New
14 Mexico. This case because of the lack of time available
15 to the Commission will be continued to the January 13th,
16 2011 regularly scheduled Commission meeting.

17 The next case before the Commission is Case
18 No. 14547, the application of the New Mexico Oil
19 Conservation Division seeking an order authorizing the
20 Oil Conservation Division to recognize an operator of
21 record for wells currently operated by Yeso Energy, Inc.
22 It's related to the prior case. This too will be
23 continued to the January 11th, 2011 commission meeting.
24 I'm sorry, January 13th, 2011 meeting.

25 The last item before the Commission is Case

1 THE STATE OF NEW MEXICO :
2 COUNTY OF BERNALILLO :

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4 BE IT KNOWN that the foregoing transcript of
5 proceedings was taken by me; that I was then and there a
6 Certified Court Reporter and Notary Public in and for the
7 County of Bernalillo, State of New Mexico, and by virtue
8 thereof, authorized to administer an oath; that the
9 witness before testifying was duly sworn by me; that the
10 foregoing 228 pages contain a true and accurate
11 transcript of the proceedings, all to the best of my
12 skill and ability.

13

14 I FURTHER CERTIFY that I am neither employed by
15 nor related to nor contracted with (unless excepted by
16 the Rules) any of the parties or attorneys in this case,
17 and that I have no interest whatsoever in the final
18 disposition of this case in any court.

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JEANNINE K. SIMS, CSR, RPR
NM Certified Court Reporter #12
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